STATE OF CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE HEALTH CARE SERVICE PLAN

MONTHLY FINANCIAL REPORTING FORM

Submitted on 11/26/2003 11:12:46 AM

3. File Number:(Enter last three digits) 933-0 286 4. Date Incorporated or Organized: May 5, 1987 5. Date Licensed as a HCSP: May 12, 1988 6. Date Federally Qualified as a HCSP: N/A 7. Date Commenced Operation: May 12, 1988 8. Mailing Address: 1971 E 4th Street, Suite 184, Santa Ana, CA 92705 9. Address of Main Administrative Office: Same 10. Telephone Number: (717)479-0777	
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9. Address of Main Administrative Office: Same 10. Telephone Number: (717)479-0777	
10. Telephone Number: (717)479-0777	
12. Principal Location of Books and Records: Same	
13. Plan Contact Person and Phone Number: Stephen R. Casey (714)479-0777	
14. Financial Reporting Contact Person and Phone Number: Same	
15. President:* Stephen R. Casey	
16. Secretary:* Suzan Lindsey	
17. Chief Financial Officer:* Stephen R. Casey	
18. Other Officers:* Vice President, CIO: James P Lindsey	
19. Dental Director: Elizabeth Henderson, DDS	
20.	
21.	
22. Directors:* James R. Lindsey	
23. Stephen R. Casey	
24. James P. Lindsey	
25. Suzan Lindsey	
26.	
27.	
28.	
29.	
30.	
31.	
	16
The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or h deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all	
assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as h	erein stated,

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

		condition and affairs of the said health care service plan as of the reporting n for the period reported, according to the best of their information, knowledg
32.	President	signature signature)
33.	Secretary	signatures equired (please type for valid signature)
34.	Chief Financial Officer	signature (please type for valid signature)
	* Show full name (initials not accepted) and indicate by sign (#) those statement.	officers and directors who did not occupy the indicated position in the previous
35. 36.	If this is a revised filing, check here and complete question 4 or Page 2: If all dollar amounts are reported in thousands (000), check here	

Check My Work.

STATE OF CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE HEALTH CARE SERVICE PLAN

MONTHLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

l				1
Γ	1.	Are footnote disclosures attached with this filing?	Yes	<u>-</u>
l	2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No	
l	3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No	
		If this is a revised reporting form, what is/are the reason(s) for the revision?		

REPORT #1 ---- PART A: ASSETS

1	2
CHIDDENIE A COPIE.	Commercial Desired
CURRENT ASSETS: 1. Cash and Cash Equivalents	Current Period 127,73
Cash and Cash Equivalents Short-Term Investments	97
Premiums Receivable - Net	85,57
Interest Receivable 4. Interest Receivable	33,37
Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	217,88
Secured Affiliate Receivables - Current	
Unsecured Affiliate Receivables - Current	
10. Aggregate Write-Ins for Current Assets	106,45
11. TOTAL CURRENT ASSETS (Items 1 to 10)	538,61
OTHER ACCRETS	
OTHER ASSETS: 12. Restricted Assets	50,00
	30,00
Long-Term Investments Intangible Assets and Goodwill - Net	145,31
Secured Affiliate Receivables - Long-Term	175,51
Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	
18. TOTAL OTHER ASSETS (Items 12 to 18)	195,31
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	14,07
21. Computer Equipment - Net	17,91
22. Leasehold Improvements -Net	22
23. Construction in Progress	
24. Software Development Costs	
25. Aggregate Write-Ins for Other Equipment	
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	32,21
27. TOTAL ASSETS	766,14
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Supplies Inventory	8,14
1002. Accounts Receivable - FADP	93,99
1003. Other Receivables - Net	4,31
1004. Accounts Receivable - Commission Advance	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	106,45
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701.	
1702.	
1703.	
1704.	
*// !!	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1798. Summary of remaining write-ins for Item 17 from overflow page 1799. TOTALS (Items 1701 thru 1704 plus 1798)	
1798. Summary of remaining write-ins for Item 17 from overflow page 1799. TOTALS (Items 1701 thru 1704 plus 1798) DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
1798. Summary of remaining write-ins for Item 17 from overflow page 1799. TOTALS (Items 1701 thru 1704 plus 1798) DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT 2501.	
1798. Summary of remaining write-ins for Item 17 from overflow page 1799. TOTALS (Items 1701 thru 1704 plus 1798) DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT 2501. 2502.	
1798. Summary of remaining write-ins for Item 17 from overflow page 1799. TOTALS (Items 1701 thru 1704 plus 1798) DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT 2501. 2502. 2503.	
1798. Summary of remaining write-ins for Item 17 from overflow page 1799. TOTALS (Items 1701 thru 1704 plus 1798) DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT 2501. 2502.	

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
		Current Period	
		Non-	
CURRENT LIABILITIES:	Contracting	Contracting	Total
Trade Accounts Payable	30,271	XXX	30,271
		XXX	
	20,874		20,874
Claims Payable (Reported) A Layured But Not Pagetted Claims	5,580		5,580
Incurred But Not Reported Claims One of the Post	5,283		5,283
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			
7. Other Medical Liability	441 405	373737	0
8. Unearned Premiums	441,495	XXX	441,495
Loans and Notes Payable	9,745	XXX	9,745
10. Amounts Due To Affiliates - Current		XXX	C
11. Aggregate Write-Ins for Current Liabilities	21,342	0	21,342
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	534,590	0	534,590
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)	307,000	XXX	307,000
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	5,080	XXX	5,080
18. TOTAL OTHER LIABILITIES (Items 13 to 18)	312,080	XXX	312,080
19. TOTAL LIABILITIES	846,670	0	846,670
NET WORTH			
20. Common Stock	XXX	XXX	8,500
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	606,500
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	-695,522
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	-80,522
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	766,148
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIA	BILITIES		
1101. Accrued Payroll & Payroll Taxes	9,794		9,794
1102.			0
1103. Accrued Commissions	6,262		6,262
1104. Other Accrued Liabilities	5,286		5,286
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	21,342	0	21,342
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABIL	LITIES		
1701. Deferred Rent	5,080	XXX	5,080
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	5,080	XXX	5,080
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET W	ORTH ITEMS		
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0
2077. 10171LO (100Ho 2001 thru 2004 plus 2070)	ΜΜ	71/1/1	

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	REPORT #2: REVENUE, EXPENSES AND NET	1	2
		Current Period	Year-To-Date
EVENUES:			
1. Prei	niums (Commercial)	222,279	
	itation		
	payments, COB, Subrogation		
	XVIII - Medicare		
	XIX - Medicaid		
	For-Service		
7. Poir	ut-Of-Service (POS)		
8. Inte		-141	
	Pool Revenue		
	regate Write-Ins for Other Revenues	9,021	
	FAL REVENUE (Items 1 to 10)	231,159	
XPENSES:	THE TEL (NOTION TO TO)	201,109	
Medical and H	ospital		
	tient Services - Capitated		
	tient Services - Per Diem		
	tient Services - Fee-For-Service/Case Rate		
	nary Professional Services - Capitated	83,287	
	nary Professional Services - Non-Capitated	1,512	
	er Medical Professional Services - Capitated	1,312	
	er Medical Professional Services - Non-Capitated	9,284	
	-Contracted Emergency Room and Out-of-Area Expense, not including POS	7,204	
	S Out-Of-Network Expense		
	rmacy Expense - Capitated		
	rmacy Expense - Capitated		
	regate Write-Ins for Other Medical and Hospital Expenses	Ŭ	
24. TO	TAL MEDICAL AND HOSPITAL (Items 12 to 23)	94,083	
		50,552	
	npensation	1,369	
	rest Expense	4,784	
	upancy, Depreciation and Amortization	4,704	
	nagement Fees	41.700	
	keting	41,709	
	liate Administration Services	20, 622	
	regate Write-Ins for Other Administration	29,622	
	TAL ADMINISTRATION (Items 25 to 31)	128,036	
	TAL EXPENSES	222,119	
	OME (LOSS)	9,040	
35. Extr	aordinary Item		
	vision for Taxes		
	TINCOME (LOSS)	9,040	
ET WORTH:			
38. Net	Worth Beginning of Period	-89,562	
	it Adjustments		
40. Incr	ease (Decrease) in Common Stock		
41. Incr	ease (Decrease) in Preferred Stock		
42. Incr	ease (Decrease) in Paid in Surplus		
	ease (Decrease) in Contributed Capital		
44. Incr	ease (Decrease) in Retained Earnings:		
	Income (Loss)	9,040	
	dends to Stockholders		
	regate Write-Ins for Changes in Retained Earnings	0	
99	regate Write Ins for Changes in Nettanied Earnings	0	
	WORTH END OF PERIOD (Items 38 to 48)	-80,522	

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2	3
		Current Period	Year-to-Date
DETAILS (OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES	Current r criod	Tour to Dute
1001.	Other Revenue	9,021	
1002.			
1003.			
1004.			
1005.			
1006.			
1098.	Summary of remaining write-ins for Item 10 from overflow page		
1099.	TOTALS (Items 1001 thru 1006 plus 1098)	9,021	0
	-		
	OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EX	PENSES 0	
2301.	Other	U	
2302.			
2303.			
2304.			
2305.			
2306.			
2398.	Summary of remaining write-ins for Item 23 from overflow page	0	0
2399.	TOTALS (Items 2301 thru 2306 plus 2398)	0	0
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101.	Bank Charges	1,062	
3102.	Insurance	8,333	
3102.	Postage	268	
3104.	Telephone	1,380	
3104.	Office Expense	1,618	
3106.	Other	16,961	
3198.		10,901	
3198.	Summary of remaining write-ins for Item 31 from overflow page TOTALS (Items 3101 thru 3106 plus 3198)	29,622	0
3199.	TOTALS (nems 3101 tinu 3100 pius 3176)	27,022	0
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.			
4702.			
4703.		······································	
4704.			
4705.			
4706.			
4798.	Summary of remaining write-ins for Item 47 from overflow page		
4799.	TOTALS (Items 4701 thru 4706 plus 4798)	0	0
		-	
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH IT	EMS	
4801.			
4802.			
4803.			
4804.			
4805.			
4806.			
4898.	Summary of remaining write-ins for Item 48 from overflow page		
4899.	TOTALS (Items 4801 thru 4806 plus 4898)	0	0
+022.	1011110 (ICHS 4001 tillu 4000 pius 4070)	U	

REPORT #3: STATEMENT OF CASH FLOWS

	1	2	3
		Current Period	Year-to-Date
	OW PROVIDED BY OPERATING ACTIVITIES	221 000	
1.	Group/Individual Premiums/Capitation	221,898	
2.	Fee-For-Service		
3.	Title XVIII - Medicare Premiums		
4.	Title XIX - Medicaid Premiums		
5.	Investment and Other Revenues	9,773	
6.	Co-Payments, COB and Subrogation		
7.	Medical and Hospital Expenses	-93,063	
8.	Administration Expenses	-135,370	
9.	Federal Income Taxes Paid		
10.	Interest Paid		
11.	NET CASH PROVIDED BY OPERATING ACTIVITIES	3,238	(
CASH FLO	OW PROVIDED BY INVESTING ACTIVITIES		
12.	Proceeds from Restricted Cash and Other Assets	0	
13.	Proceeds from Investments		
14.	Proceeds for Sales of Property, Plant and Equipment		
15.	Payments for Restricted Cash and Other Assets	0	
16.			
	Payments for Investments	-11,894	
17.	Payments for Property, Plant and Equipment		
18.	NET CASH PROVIDED BY INVESTING ACTIVITIES	-11,894	
	OW PROVIDED BY FINANCING ACTIVITIES:		
19.	Proceeds from Paid in Capital or Issuance of Stock		
20.	Loan Proceeds from Non-Affiliates		
21.	Loan Proceeds from Affiliates	-3,730	
22.	Principal Payments on Loans from Non-Affiliates		
23.	Principal Payments on Loans from Affiliates	0	
24.	Dividends Paid		
25.	Aggregate Write-Ins for Cash Provided by Financing Activities	0	
26.	NET CASH PROVIDED BY FINANCING ACTIVITIES	-3,730	
27.	NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	-12,386	(
28.	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH	140,118	
29.	CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	127,732	(
-	LIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITI		
30.	Net Income	9,040	(
		7,040	
	ents to Reconcile Net Income to Net Cash Provided by Operating Activities	1 116	
31.	Depreciation and Amortization	1,116	
32.	Decrease (Increase) in Receivables	-5,144	
33.	Decrease (Increase) in Prepaid Expenses	1,806	
34.	Decrease (Increase) in Affiliate Receivables		
35.	Increase (Decrease) in Accounts Payable		
36.	Increase (Decrease) in Claims Payable and Shared Risk Pool		
37.	Increase (Decrease) in Unearned Premium	5,655	
38.	Aggregate Write-Ins for Adjustments to Net Income	-9,236	
39.	TOTAL ADJUSTMENTS (Items 31 through 38)	-5,803	
40.	NET CASH PROVIDED BY OPERATING ACTIVITIES	3,237	
	(Item 30 adjusted by Item 39 must agree to Item 11)		
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FIN.	ANCING ACTIVI	TIES
2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Item 25 from overflow page		
	TOTALS (Items 2501 thru 2503 plus 2598)	0	
DETAILS	OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOM	E	_
3801.	Inventory	1,360	
3802.	Prepaid Expenses	12,290	
3803.	Other Accrued Liabilities	-22,886	
		-22,000	
3898.	Summary of remaining write-ins for Item 38 from overflow page	0.225	
3899.	TOTALS (Items 3801 thru 3803 plus 3898)	-9,236	(

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REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

TOTAL ENROLLMENT											
1	2	3	4	5	6	Total Member A	Total Member Ambulatory Encounters for Period		10	11	12
					Cumulative						
					Enrollee				Total Patient	Annualized	Average
	Total Enrollees At End of	Additions During	Terminations During	Total Enrollees at End of	Months for	7	8	9	Days	Hospital	Length of
Source of Enrollment	Previous Period	Period	Period	Period	Period	Physicians	Non-Physicians	Total	Incurred	Days/1000	Stay
1. Group (Commercial)	10,097	46	90	10,053	10,053			0		0	
2. Medicare Risk				0				0			
3. Medi-Cal Risk				0				0			
4. Individual	19,981	657	255	20,383	20,383			0		0	
5. Point of Service				0				0			
6. Aggregate write-ins for Other	0	0	0	0	0	0	0	0	0		
7. Total Membership	30,078	703	345	30,436	30,436	0	0	0	0	0	
DETAILS OF WRITE-INS AGGRE	GATED AT ITEM 6 FOR	OTHER SOURCES OF	F ENROLLMENT								
601. Small Group				0				0			
602. Healthy Families				0				0			
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for								0			
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus 699, 698) (Line 6 above)	0	n	0	0	0	0	0	0	0		
099. 036) (Line 0 above)	U	Ü	U	U	U	Ü	U	U	U		

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1	NOTES TO FINANCIAL STATEMENTS
1. 2.	
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	OVERFLOW PAGE FOR WRITE-INS
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KNOX-KEENE SUPPLEMENTAL INFORMATION PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2

	PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2							
			1			2		
1.	Net Equity				\$	-80,522		
2.	Add: Subordinated Debt				\$	307,000		
3.	Less: Receivables from officers, directors, and affiliates				\$			
4.	Intangibles				\$	145,312		
5.	Tangible Net Equity (TNE)				\$	81,166		
6.	Required Tangible Net Equity (See Below)				\$	53,347		
7.	TNE Excess (Deficiency)				\$	27,819		
			Full Service Plans			Specialized Plan		
A.	Minimum TNE Requirement	\$	1,000,000	Minimum TNE Requirement	\$	50,000		
В.	REVENUES:							
8.	2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$	53,347		
	Plus			Plus				
9.	1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$			
10.	Total	\$	0	Total	\$	53,347		
	HEALTHCARE EXPENDITURES: 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8,913		
	Plus			Plus				
12.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$			
	Plus			Plus				
13.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$			
14.	Total	\$	0	Total	\$	8,913		
15.	Required "TNE" - Greater of "A" "B" or "C	'\$		Required "TNE" - Greater of "A" "B" or "C"	'\$	53,347		

KNOX -KEENE SUPPLEMENTAL INFORMATION PURSUANT TO SECTIONS 1374.64

POINT OF SERVICE (POS) "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1						
	1						
1. Net Equity	\$ -80,522						
2. Add: Subordinated Debt	\$						
3. Less: Receivables from officers, directors, and affiliates	\$						
4. Intangibles	\$						
5. Tangible Net Equity (TNE)	\$ -80,522						
6. Required Tangible Net Equity (From Line 18 below)	\$						
7. TNE Excess (Deficiency)	\$ -80,522						
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUIT I. Plan is required to have and maintain TNE as required by Ru							
1. Than is required to have and maintain 1142 as required by Ne	ne 1300.70 (a)(1) 01 (2).						
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$						
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$						
10. Add lines 8 and 9	\$ 0						
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3): PART A							
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 15)	\$						
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$						
13. Add lines 11 and 12	\$ 0						

POS WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

		1 Full Service <u>Plans</u>	2 Specialized <u>Plans</u>
1.	Health care expenditures for period	\$	\$
	Less:		
2.	Capitated or managed hospital payment basis expenditures		
3.	Health care expenditures for out-of-network services for point-of-service enrollees		
4.	Result	0	0
5.	Annualized		
6.	Reduce to maximum of \$150 million		
7.	Multiply by 8%	\$0	\$ 0
	Plus		
8.	Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$	\$
9.	Line 8 less \$150 million		
10.	Multiply by 4%	\$0	\$ 0
	Plus		
11.	Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$	\$
12.	Multiply by 4%	\$ 0	\$ 0
13.	Total	\$0	\$0

		Current Mo	Prior Mo			
10100	Petty Cash	Y.T.D. 11,528.00	Y.T.D. 12,093.00	(565.00)	8.00	
10200	Checking - 1st Business Checking - Unused	121,369.00		(11,817.00)	9.00	
0220	Checking - First Security Bank	0.00	0.00		11.00	
0230	Checking Wells Fargo Money Market Account	-5,166.00 975.00	-5,161.00 975.00	(5.00)	12.00 13.00	
1100	Premium Receivable Allowance for Premium Rec	89,124.00	83,087.00	6,037.00	14.00	
1110 1111	Allowance for Other Receivable	-3,560.00 0.00	-3,560.00 0.00		16.00	
1120 1130	Interest Receivable Other Receivable	307.00 1,911.00	0.00 1,911.00	307.00	17.00 18.00	
1140	Accounts Receivable-GMA	2,400.00	3,600.00	(1,200.00)	19.00	
1150 1160	Accounts Reveivable-MV Accounts Receivable - Moon	0.00	0.00		20.00 21.00	
1170	Accounts Receivable - FADP	93,688.00	93,688.00		22.00	
1999 2100	Suspense Prepaid Insurance	0.00 33,541.00	0.00 35,905.00	(2,364.00)	23.00 24.00	
2110	Supplies Inventory	8,149.00	9,509.00	(1,360.00)	25.00	
2120 2121	Prepaid Marketing Prepaid Rent	11,255.00 6,909.00	13,505.00 6,909.00	(2,250.00)	26.00 27.00	
2130 2140	Prepaid DOC Expense Prepaid Expenses	644.00 14,444.00	2,644.00 11,951.00	(2,000.00) 2,493.00	28.00 29.00	
12150	Prepaid Capitation	135,033.00	140,665.00	(5,632.00)	30.00	
2160 2170	Prepaid Commissions Prepaid Admin Fees	0.00 14.974.00	0.00 15.344.00	(370.00)	31.00 32.00	
2180	Prepaid Audit	1,088.00	3,255.00	(2,167.00)	33.00	
4100 4200	Fixed Assets Leasehold Improvements	63,574.00 665.00	51,680.00 665.00	11,894.00	34.00 35.00	
4900	Accumulated Depreciation	-32,022.00	-30,906.00	(1,116.00)	36.00	
7100 7200	Restricted Assets Leasehold Deposits	50,000.00	50,000.00		37.00 38.00	
300	Organization Costs	225,000.00	225,000.00	-	39.00	
310 100	Accumulated Amortization Accounts Payable	-79,688.00 -30,265.00	-79,688.00 -28,459.00	(1,806.00)	40.00 41.00	
110	Accrued Capitation	-20,874.00	-17,856.00	(3,018.00)	42.00	
120 130	Accrued Commission Premium Payable	-6,262.00 0.00	-5,357.00 0.00	(905.00)	43.00 44.00	
140 150	Accrued Interest Accrued IBNR	0.00 -5.283.00	0.00 -5,283.00	-	45.00 46.00	
200	Claims Payable	-5,580.00	-16,631.00	11,051.00	47.00	
210	Accrued Expenses Accrued Payroll	-3,000.00 -9,129.00	0.00 -27.394.00	(3,000.00) 18,265.00	48.00 49.00	
310	Accrued Payroll Taxes	-665.00	-2,013.00	1,348.00	50.00	
320	IRA Liab Deferred Rent	-2,286.00 -5,080.00	-1,277.00 -5,234.00	(1,009.00) 154.00	51.00 52.00	
400	Deferred Monthly Premiums	-97,212.00	-88,023.00	(9,189.00)	53.00	
500 900	Unearned Annual Premiums Short - Term Note Payable	-344,283.00 -9,745.00	-347,817.00 -13,475.00	3,534.00 3,730.00	54.00 55.00	
2100	Long Term Debt	-307,000.00	-307,000.00	5,750.00	56.00	
150 000	Other Payables - PDN Common Stock	0.00 -8,500.00	0.00 -8,500.00		57.00 58.00	
000	Paid - In Capital	-606,500.00	-606,500.00		59.00	0.00 Add this amt tolosses C
00	Retained Earnings Premium Revenue	695,522.00 -2,146,348.00	704,562.00 -1,924,071.00	(9,040.00)	61.00	0.00 Add this amount to column C
40 50	Enrollment & Billing Fees Admin Fee Revenue	0.00 -87,080.00	0.00 -78,059.00	(9.021.00)	62.00 63.00	
200	Other Income	0.00	0.00	(9,021.00)	64.00	
300 010	Interest Income Capitation	-6,100.00 898.227.00	-6,241.00 814,940.00	141.00 83.287.00	65.00 66.00	
050	Referral - Endo	46,904.00	42,171.00	4,733.00	67.00	
)51)52	Referral - Perio Referral - Oral Surgery	10,698.00 25,858.00	9,646.00 23,379.00	1,052.00 2,479.00	68.00 69.00	
053	Referral - Pedo	1,068.00	1,068.00	2,479.00	70.00	
054 055	Referral - Ortho Non Contracting Providers	0.00	0.00		71.00 72.00	
056	Referral - Provider Disputes	0.00	0.00			
100	Out Of Area Emergency Lab Reimbursements	148.00 15,744.00	148.00 14,232.00	1,512.00	72.00 73.00	
190	Peer Review - Q/A Costs	14,236.00	13,216.00	1,020.00	74.00	
0100 0110	Commissions Printing/Copying	323,831.00 17,051.00	291,596.00 15,387.00	32,235.00 1,664.00	75.00 76.00	
120	Postage Promotions	27,684.00 22,542.00	24,551.00 19,093.00	3,133.00 3,449.00	77.00 78.00	
140	Travel	6,771.00	5,848.00	3,449.00 923.00	79.00	
0150 0155	Entertainment Continuing Educ/Training	0.00 3.233.00	0.00 3.233.00		80.00 81.00	
0160	Meals	2,176.00	2,078.00	98.00	82.00	
1000	Other Marketing Printing	5,713.00 21,716.00	5,506.00 18,974.00	207.00 2,742.00	83.00 84.00	
1100	Bank Charges	12,010.00	10,948.00	1,062.00	85.00	
1200 1300	Capitation Expense (not used) Commission Expense (not used)	0.00	0.00		86.00 87.00	
1350	Admin Fee	34,449.00	30,122.00	4,327.00	88.00	
400 500	Common Area Maintenance Computer Expense	0.00 3,461.00	0.00 2,906.00	555.00	89.00 90.00	
600	Depreciation Expense	9,261.00	8,145.00	1,116.00	91.00	
650 700	Amortization Expense DMHC Expense	0.00 20,762.00	0.00 18,762.00	2,000.00	92.00 93.00	
800	Dues & Subscriptions	1,198.00	1,198.00		94.00	
1900 2000	Electricity Equipment Rental	0.00 685.00	0.00 685.00		95.00 96.00	
2100	Rent	37,179.00	33,511.00	3,668.00	97.00	
200 2300	Insurance - Worker's Comp Insurance - Group	2,779.00 41,117.00	2,503.00 37,029.00	4,088.00	98.00 99.00	
2400 2500	Insurance - Prof Liab	34,960.00	30,991.00	3,969.00 1,369.00	100.00	
600	Interest Laboratory Exp (not used)	13,643.00 0.00	12,274.00 0.00		101.00 102.00	
700 800	Legal & Accounting Misc Expense	24,879.00 3,604.00	21,012.00 3,425.00	3,867.00 179.00	103.00 104.00	
900	Office Expense	16,394.00	14,776.00	1,618.00	105.00	
000 100	Consulting Fees Contributions	15,176.00 100.00	15,176.00		106.00 107.00	
000	Payroll	447,085.00	400,400.00	46,685.00	108.00	
100	Payroll Taxes SIMIRA	39,835.00 8,661.00	36,011.00 7,593.00	3,824.00 1,068.00	109.00 110.00	
7500	Printing (not used)	0.00	0.00		111.00	
3000 3100	Postage Telephone	4,013.00	3,745.00 11.244.00	268.00 1.380.00	112.00 113.00	
3200	Travel	8,032.00	6,645.00	1,387.00	114.00	
3300 3400	Meals Entertainment	4,479.00 0.00	3,902.00 0.00	577.00	115.00 116.00	
3600	Utilities	0.00	0.00		117.00	
	Misc. Taxes & Licenses Continuing Education	3,027.00 0.00	2,725.00	302.00	118.00 119.00	
3700		3,357.00	3,357.00		120.00	
3700 3800 3900	Bad Debt Expense					
8700 8800 8900 000 1100		0.00	0.00		121.00 122.00	

6,842.00 15,880.00 (9,038.00)

Account ID 10100	Account Description Melon MM 60110	Current Bal 11,528.22	11,528.00
10200 10210	Checking - 1st Business Checking - Unused Checking - First Security Bank	121,369.08 0.00	121,369.00 0.00
10220	Checking - First Security Bank	0.00	0.00
10230	Checking Wells Fargo Mellon MM 60003	-5,165.63 975.27	-5,166.00 975.00
11100 11110	Premium Receivable	89,123.56	89,124.00
11111	Allowance for Premium Rec Allowance for Other Receivable	-3,560.00 0.00	-3,560.00 0.00
11120	Interest Receivable Other Receivable	307.26 1,911.00	307.00 1,911.00
11140	Other A/R - Commission Adv's	2,400.00	2,400.00
11150 11160	Accounts Reveivable-MV Accounts Receivable - Moon	0.00	0.00
11170	Accounts Receivable - FADP Suspense	93,687.77 0.00	93,688.00 0.00
12100	Prepaid Insurance	33,541.44	33,541.00
12110 12120	Supplies Inventory Prepaid Marketing	8,148.90 11,255.05	8,149.00 11,255.00
12121 12130	Prepaid Rent Prepaid DOC Expense	6,909.14	6,909.00
12140	Prepaid Expenses	644.28 14,443.61	644.00 14,444.00
12150 12160	Prepaid Capitation Prepaid Commissions	135,033.39 0.00	135,033.00 0.00
12170	Prepaid Admin Fees Prepaid Audit	14,974.46	14,974.00 1,088.00
12180 14100	Fixed Assets	63,573.52	63,574.00
14200 14900	Leasehold Improvements Accumulated Depreciation	665.00 -32,021.96	665.00 -32,022.00
17100	Restricted Assets	50,000.00	50,000.00
17200 17300	Leasehold Deposits Organization Costs	0.00 225,000.34	0.00 225,000.00
17310 21100	Accumulated Amortization Accounts Payable	-79,688.16 -30,264.86	-79,688.00 -30,265.00
21110	Accrued Capitation	-20,873.78	-20,874.00
21120 21130	Accrued Commission Premium Payable	-6,262.13 0.00	-6,262.00 0.00
21140 21150	Accrued Interest Accrued IBNR	0.00 -5,283.00	0.00 -5,283.00
21200	Claims Payable	-5,579.60	-5,580.00
21210 21300	Accrued Expenses Accrued Payroll	-3,000.00 -9,128.91	-3,000.00 -9,129.00
21310 21320	Accrued Payroll Taxes	-664.54	-665.00
21330	IRA Liab Deferred Rent	-2,285.50 -5,080.49	-2,286.00 -5,080.00
21400 21500	Deferred Monthly Premiums Unearned Annual Premiums	-97,211.95 -344,282.65	-97,212.00 -344,283.00
21900 22100	Short - Term Note Payable	-9,745.11	-9,745.00
22100	Long Term Debt Other Payables - PDN	-307,000.00 0.00	-307,000.00 0.00
31000 32000	Common Stock Paid - In Capital	-8,500.00 -606,500.00	-8,500.00 -606,500.00
33000	Retained Earnings	688,679.15	688,679.00
41100 41140	Group Premium Enrollment & Billing Fees	-2,145,959.00 -389.00	-389.00
41150 41200	Admin Fee Revenue Other Income	-87,079.61 0.00	-87,080.00 0.00
41300	Interest Income	-6,100.04	-6,100.00
51010 51050	Capitation Referral - Endo	898,226.71 46,903.60	898,227.00 46,904.00
51051 51052	Referral - Perio Referral - Oral Surgery	10,697.55 25,858.10	10,698.00 25,858.00
51053	Referral - Oran Surgery Referral - Pedo Referral - Ortho	1,067.50	1,068.00
51054 51055	Referral - Ortho Non Contracting DDS	0.00	0.00
51056 51070	Provider Disputes Out Of Area Emergency	0.00 148.00	0.00 148.00
51100	Lab Reimbursements	15,744.12	15,744.00
51190 60100	Peer Review - Q/A Costs Commissions	14,235.62 323,830.63	14,236.00 323,831.00
60110 60120	Printing/Copying Postage	17,050.89 27,683.64	17,051.00 27,684.00
60130	Promotions	22,541.96	22,542.00
60140 60150	Travel Entertainment	6,770.59 0.00	6,771.00 0.00
60155 60160	Continuing Educ/Training Meals	3,232.50	3,233.00
61000	Other Marketing	2,176.15 5,713.29	2,176.00 5,713.00
61010 61100	Printing Bank Charges	21,715.55 12,010.27	21,716.00 12,010.00
61200 61300	Capitation Expense (not used)	0.00	0.00
61350	Commission Expense (not used) Admin Fee	0.00 34,448.59	0.00 34,449.00
61400 61500	Common Area Maintenance Computer Expense	0.00 3,460.71	0.00 3,461.00
61600	Depreciation Expense	9,260.75	9,261.00
61650 61700	Amortization Expense DMHC Expense	0.00 20,761.77	0.00 20,762.00
61800 61900	Dues & Subscriptions Electricity	1,198.00	1,198.00 0.00
62000 62100	Equipment Rental	685.15	685.00
62200	Rent Insurance - Worker's Comp	37,179.34 2,779.00	
62300 62400	Insurance - Health Insurance - Prof Liab	41,117.44 34.960.00	41,117.00 34,960.00
62500	Interest	13,642.55	13,643.00
62600 62700	Laboratory Exp (not used) Legal & Accounting	0.00 24,878.70	0.00 24,879.00
62800 62900	Misc Expense Office Expense	3,604.34 16,394.11	3,604.00 16,394.00
63000	Consulting Fees	15,176.00	15,176.00
63100 67000	Contributions Payroll	100.00 447,084.75	100.00 447,085.00
67100 67200	Payroll Taxes SIMIRA	39,835.05 8,660.77	39,835.00 8,661.00
67500	Printing (not used)	0.00	0.00
68000 68100	Postage Telephone	4,013.29 12,624.22	4,013.00 12,624.00
68200 68300	Travel Meals	8,031.95 4,479.38	8,032.00 4,479.00
68400	Entertainment	0.00	0.00
68600 68700	Utilities Misc. Taxes & Licenses	0.00 3,027.39	0.00 3,027.00
68800 68900	Continuing Education	0.00 3,357.01	0.00
7000	Bad Debt Expense Non Tax Deductable	0.00	0.00
81100 81200	Federal Income Taxes State Income Taxes	0.00 0.00	0.00
	Total:	0.00	